

## **Women post-recession: moving towards insecurity**

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Emily Thomson and Susanne Ross

After the recession, the rise in casual and precarious contracts is entrenching gender inequality in the UK.



*A woman walks past an anti-austerity placard on the Southbank.*

In the second quarter of 2008, the UK economy followed the US into recession and remained there for six successive quarters. By early 2010 UK GDP contracted by 6.2%, the worst loss of output and the longest recession since World War II. The associated loss in employment was worse for men than for women in the initial stages of the recession. The impact of any economic downturn tends to be borne mostly by men because there is a greater concentration of male workers in cyclically sensitive industries, such as construction and manufacturing. Other industries, particularly within the public sector, such as health and education, are not as vulnerable to the effects of the economic cycle. Women's employment increased in both health and education sectors in the initial phases of the UK recession and increased overall within the public sector. So, to some extent women workers were sheltered from the recession due to the role of the public sector and women's higher rates of participation in that sector. However, female employment in the public sector has been far from immune from the UK government's response to the 'Great Recession' which focuses on fiscal consolidation in the form of public sector spending cuts underpinned by deficit reduction 'fetishism'.

Analysis of labour market statistics suggests that since recovery took hold in 2010 the UK labour market has shifted towards increased underemployment and wider use of insecure forms of employment, particularly for women. Public sector spending cuts have drastically weakened the public sector 'safety-net' for low paid workers on the margins of the labour market, who are most likely to be women. Similarly, it is likely that reductions in the public provision of care services has increased the burden of unpaid work for women, further jeopardising their economic security.

## Gender Dimension of Employment Recovery in the UK

Total employment is now higher than pre-recession levels, with female employment currently at the highest since comparable records began. Since economic recovery took hold in 2010, total employment has increased by 2.1 million; men increased their employment by 1.2 million compared to 910,000 for women. The male employment rate therefore rose slightly faster than the female employment rate, increasing by 3.5% compared to 3.1% for women.

One significant feature of the recovery is that the gender gap in employment has narrowed from 12.1% to 9.8%, explained somewhat by the synchronisation of male and female state pension ages from 2010 onwards. The UK Government policy of equalising male and female retirement ages to 65 by 2018 has resulted in an increased labour supply over the medium term, with more women in the labour market now working past the age of 60.

Women accounted for 80% of the fall in levels of economic inactivity (defined as not working or actively seeking work) in the recovery period. The fall in economic inactivity therefore has been much more significant for women than that experienced by men, with their inactivity decreasing by 399,000 compared to 104,000 for men. One possible reason for this is the changes implemented to lone parent conditionality, effective from October 2011, which has seen increasing numbers of women being classified as unemployed due to changes in benefit conditions for single parents, the overwhelming majority of whom are female. To ensure continued eligibility for, and receipt of, welfare payments, once their youngest child reaches the age of 5, lone parents are required to seek employment therefore moving from receipt of benefit payments in the form of income support to job seekers allowance. This embodies a significant change in the way these individuals are captured in the labour force survey as payments of income support signify economic inactivity whereas individuals in receipt of job seekers allowance are classified as unemployed. The gender gap in economic inactivity therefore has narrowed since the start of the recession from 13.4% to 10.7% in 2015, driven by falling female economic inactivity.

Women are still more likely to be economically *inactive* than men (currently 27% of women and 17% of men of working age are economically inactive). Women are five times more likely to be classified as economically inactive as a result of 'looking after the family/home' compared to men, the proportion of which has not significantly changed over the recessionary period. Clearly individuals who are caring for their family and the home are working, they just are not getting paid for it. Their contribution to the economy is largely invisible in official statistics.

### Labour Market Structure: Moving towards insecurity

Historically women have a greater tendency to work part-time, mainly as a means to juggling paid employment with caring responsibilities. Since 2010 part-time employment has increased by over half a million, which has been evenly shared by both men and women, with men filling 280,000 part-time jobs compared to 310,000 for women. Of all the part-time jobs created during the recovery period, two in every five were in what the Office for National Statistics classifies as lower skilled jobs such as in elementary occupations or caring, leisure and other service roles, of which two thirds were attributed to increases in female part-time employment in these occupations.

Since 2010 there has been an increase of 207,000 temporary forms of employment. Over half the temporary jobs created in the recovery were through agency temping. In terms of part-time temporary employment, increases came predominantly from casual work, increasing by 40,000. Men and women have shared increases in all of these forms of temporary/insecure work relatively equally. Interestingly, since 2010 the number of women employed on part-time fixed term contracts has reduced by 27,000 compared to an increase of 4,000 for men.

Increased incidence of other forms of precarious and insecure working practices have become more prevalent in a post-recession UK labour market, particularly through the use of zero-hours and short-hours contracts. Zero-hours are contracts offering no assurance of minimum working hours per week and have increased by 114,000 since 2013 to 700,000 in 2014. This amounts to approximately 2.3% of those in employment. Individuals employed on these contracts are more likely to be women (55%), more likely work part-time (66%) than full-time and nearly half (45%) are employed in accommodation and food as well as admin and support service sectors.

Furthermore the [Trade Unions Congress estimated](#) that in 2014 there were 820,000 workers in the UK employed on short-hours contracts, which guarantee as little as 1 working hour per week. These contracts have gained popularity amongst employers as a means of avoiding paying national insurance contributions for individuals if working less than 18 hours per week. Individuals employed on these contracts are predominately women (72%) and the majority (71%) are used in retail; education; accommodation and food services and health and social care sectors.

In addition to increasingly insecure and/or hours constrained waged employment, evidence also suggests that self-employment has risen by just over half a million since 2010. Despite the fact that the majority of self-employed individuals are men, female self-employment has risen at twice the pace of male self-employment since the onset of the recovery, increasing by 22% compared to 11% for their male counterparts.

Individuals may be entering self-employment out of economic necessity; rather than an increase in entrepreneurial spirit, self-employment could therefore be more of a [survival strategy for many](#). This is reflected in the occupations and sectors in which the number of the self-employed are increasing. For example, the service sector has seen the largest increase in female part-time self-employment, rising by 209,000 since 2010. In terms of self-employment by occupation, nearly one in three (31%) self-employed women took up self-employment in low paid occupations such as caring, leisure and other service; elementary occupations or as process, plant and machine operatives. This compares with one in every twenty self-employed men taking up self-employment in these occupations. Women therefore are doing the work they have always done but now on a contractual, and hence less secure, basis. The largest increase in male self-employment since 2010 was for self-employed managers, directors and senior officials, increasing by 133,000 compared to rise of 70,000 for women. It can be concluded then that the increase in female self-employment for women has been in low paid, low status sectors reinforcing gender inequalities in self-employment including a gendered pay gap in self-employment [which in 2012 stood at 40%](#).

Underemployment in the UK increased to 9.9% in 2014. This amounts to nearly 3 million individuals in the UK who would have liked to work more hours, rising by 220,000 since economic recovery. Sales and customer services, with an underemployment rate of 19%, as well as caring, leisure and other service workers, with an underemployment rate of 14% have seen significantly higher experiences of underemployment since the start of the recession. This would suggest that despite increases in employment opportunities in these occupational groups, through part-time and temporary employment, there are a growing number of individuals working in these jobs who are unsatisfied with their current hours of work, the majority of whom are likely to be women.

Women are more likely than men to work in the public sector [making up two thirds of the workforce](#) and public sector employment now stands lower than at any point in the last four decades. Employment in the private sector has increased by 2.4 million, whilst public sector employment has fallen by 420,000 since 2010. This can be explained in some degree by public bodies increasingly outsourcing the delivery of public services to private sector organisations in an effort to reduce costs. This has resulted in local government staff being transferred into the private sector signifying that as the size of the public sector changes, women will be disproportionately affected as public sector employees.

It is not unreasonable to assume that in times of recession, as jobs are lost in the formal paid labour market, the demand for market substitutes for domestic work such as cleaning will contract. At the same time, job losses will have a negative impact on the demand for market-based childcare. Under such circumstances, the burden of unpaid work in the household could increase as paid employment decreases and as public services are withdrawn, especially in care, signifying a transfer of public responsibility to private responsibility.

It is clear then that, despite economic growth, recovery has been largely fuelled by increasingly precarious and casual forms of employment as well as insecure self-employment which has impacted more on women. As evidenced above, these forms of employment are increasing often in lower skilled, female dominated and subsequently low paid sectors of the economy. The question therefore remains as to whether these precarious and casual forms of employment are becoming the norm in a post-recession UK labour market, reinforcing low paid and insecure forms of employment, predominantly undertaken by women. Evidence so far suggests that they are

entrenching gender inequality within the formal paid labour market in the UK.